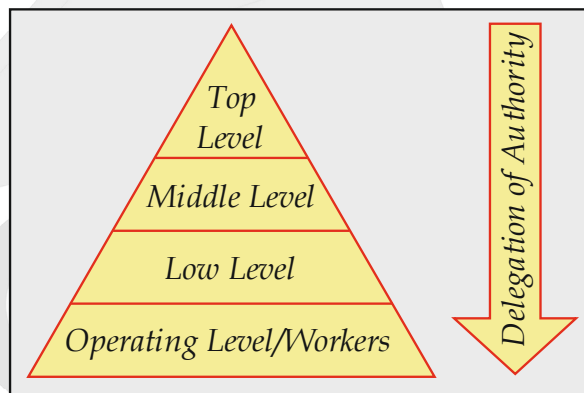


### 3. Responsibility and Authority

#### Delegation of Authority

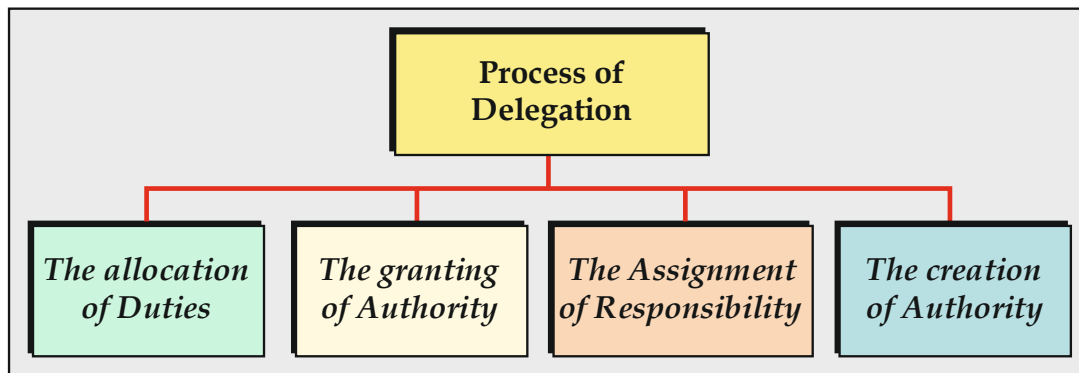
The **Delegation of Authority** is an organizational process wherein, the manager divides his work among the subordinates and gives them the responsibility to accomplish the respective tasks. Along with the responsibility, he also shares the authority, i.e. the power to take decisions with the subordinates, such that responsibilities can be completed efficiently.

In other words, a delegation of authority involves the sharing of authority downwards to the subordinates and checking their efficiency by making them accountable for their doings. In an organization, the manager has several responsibilities and work to do. So, in order to reduce his burden, certain responsibility and authority are delegated to the lower level, i.e. to the subordinates, to get the work done on the manager's behalf.

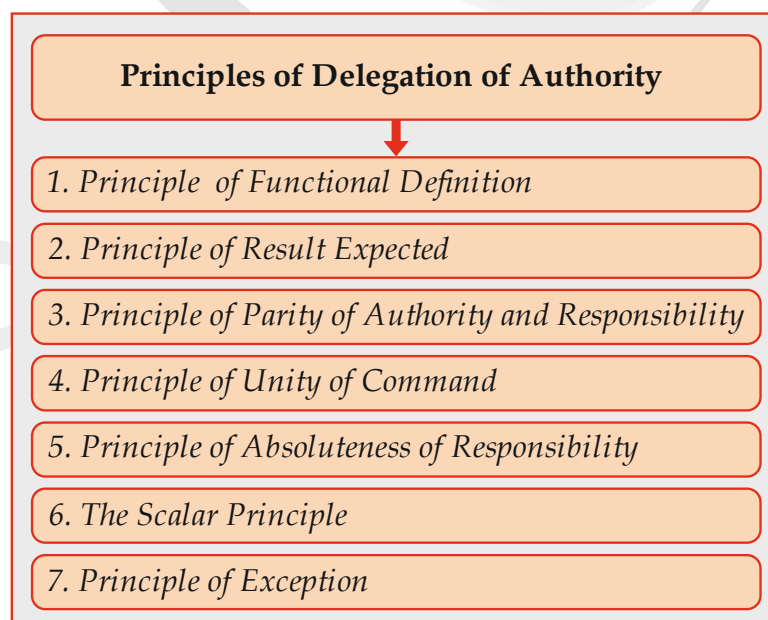


#### Features of Delegation of Authority

1. Delegation means giving power to the subordinate to act independently but within the limits prescribed by the superior. Also, he must comply with the provisions of the organizational policy, rules, and regulations.
2. Delegation does not mean that manager give up his authority, but certainly he shares some authority with the subordinate essential to complete the responsibility entrusted to him.
3. Authority once delegated can be further expanded, or withdrawn by the superior depending on the situation.
4. The manager cannot delegate the authority which he himself does not possess. Also, he can -not delegate his full authority to a subordinate.
5. The delegation of authority may be oral or written, and may be specific or general.
6. The delegation is an art and must comply with all the fundamental rules of an organization.



- (i) **The allocation of Duties :** The allocation in terms of results which want to achieve. *In the first stage the administer identifies the work and assigns this activity to an employee or group of employee.*
- (ii) **The granting of Authority :** *In this stage the administered transfers authority to employee with right to command.* The authority given to the delegate must be clear specified as there are several restrictions and limitations on authority a manager has at his disposal.
- (iii) **The Assignment of Responsibility :** It is the creation of the delegate's obligation to perform the assigned tasks and used the delegated authority properly. *Responsibility is divided in to two parts at the time of delegation - operating responsibility and ultimate responsibility.* Subordinate assume only the operating responsibility for the task perform by them and manager retain ultimate responsibility for getting the job done. If the subordinate fails to perform the job (operating responsibility) the superior is held responsible for this failure (ultimate responsibility).
- (iv) **The Creation of Authority :** The subordinate must accept the credit as well as blame for their actions. *A subordinate obligation to carry out what is assigned accountability is the obligation to his superior to carry out the assignment in a satisfactory manner, but superior are always held responsible and accountable not only for their own actions, but also for those subordinates to whom they have delegated authority.*



Following are the guidelines that can be followed by the managers to practice an efficient delegation :

1. **Principle of Functional Definition :** *An organization is comprised of different functional departments, each contributing to the organizational goals and, in turn, have their specific objectives. Thus, clearly defined objectives of each department, the expected results, the specific activities to be performed and intradepartmental relationships help the manager to determine the requirements of that specific position.*
2. **Principle of Result Expected :** *Before actually delegating the authority to the subordinate, the manager must know the purpose of such delegation and the results expected from it. The goals, targets and the standard of performance must be clearly defined to direct the actions of the subordinate towards the accomplishment of a given task in a required manner. This principle helps in determining the authority to be delegated which is sufficient for completing the responsibility.*
3. **Principle of Parity of Authority and Responsibility :** *This principle states that the responsibility and the authority co-exists. This means, if the subordinate is assigned certain responsibility, he must be given some level of authority i.e. power to perform his responsibility. Thus, both the responsibility and the authority shall be clearly defined to the subordinate, so that he knows what he is required to do within the powers delegated to him.*
4. **Principle of Unity of Command :** *According to this principle, every subordinate should have a single supervisor from whom he gets the authority and to whom he is solely accountable. This means the subordinate should get the instructions from a single superior and perform those responsibilities as assigned by him. In case, if the subordinate is required to report to more than one boss, then there may be a conflict and delay in the managerial operations.*
5. **Principle of Absoluteness of Responsibility :** *This principle asserts that responsibility cannot be delegated. This means even after delegating the authority to the subordinate to perform certain tasks on the manager's behalf; the manager will be solely responsible for the doings of the subordinate. In other words, whatever actions being taken by the subordinate, the manager will be accountable to his senior. Thus, the responsibility is absolute and remains with the superior.*
6. **The Scalar Principle :** *There are clear lines of authority in the organization, i.e. who is under whom. This helps the subordinate to know, who delegates the authority to him and to whom he shall be accountable. Also to whom he shall contact in case things are beyond his control. Thus, this principle asserts, that there should be a proper hierarchy in the organization.*
7. **Principle of Exception :** *According to this principle, the subordinate shall be given complete freedom to perform his responsibilities under the purview of his authority. The manager should not interfere in between his work and must allow him to do even if he commits mistakes. But in some exceptional cases, the managers can interfere and even withdraw the authority delegated to the subordinate.*

## Centralization and Decentralization

### Centralization

*An organization is centralized when decision-making authority is retained by higher management levels whereas it is decentralized when such authority is delegated.*

Centralization means concentration of authority at the top level of the administrative system. In a centralized system of administration, the lower levels (called field offices) cannot act on their own initiative. They have to refer most of their problems to the higher level (called headquarters) for decision making. They act as only implementing agencies. In a centralized system of administration, on the other hand, the field offices can act on their own initiative in specified matters. They are given authority to take decisions without reference to the headquarters. Thus, the essence of decentralization is the vesting of decision-making power in the field offices.

### Merits of Centralization

These are briefly discussed as follows :

- It provides for maximum control over the entire organization.
- It ensures that all the work is performed in the same manner and in accordance with the same general policies and principles.
- It makes administrative abuses more difficult in matters like employment and handling of personnel, purchase and use of supplies and so on.
- It ensures economy in administration by avoiding duplication of work.
- It facilitates the introduction of dynamism in the organization through the active role of personnel leadership.
- It is suitable for dealing with emergencies and unanticipated matters.
- It enables the maximum utilization of the human and material resources in the organization and thus develops a corporate personality.

### Demerit of Centralization

- It leads to delay in securing action as the field officials have to refer the matter to the higher authorities.
- It makes the head-office overburdened due to "apoplexy at the top and anemia at the extremities."
- It leads to autocratic control over subordinates and thus results in lack of flexibility in administration.
- It makes administration irresponsive as the head office acts without the knowledge of local conditions and requirements
- It does not facilitate people's participation in administrative process.
- It does not allow the development of second line of executives.
- It is not conducive for the expansion and diversification of the organization.

### Decentralization

*Decentralization would imply the delegation of all decision making functions to the lower level of the hierarchy and this would obviate the need for higher managerial positions.*

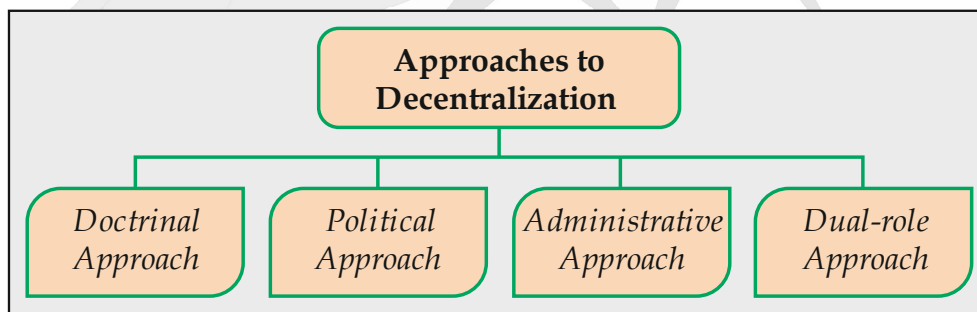
*In other words Decentralization implies consistent and systematic efforts to delegate to the lowest levels all authority except that which can only be exercised at central point.*

Decentralization is not the same as delegation. In fact, decentralization is all extension of delegation. Decentralization pattern is wider in scope and the authorities are diffused to the lowest most level of management. Delegation of authority is a complete process and takes

place from one person to another. Decentralization is wider in scope and the subordinate's responsibility increase in this case. On the other hand, in delegation the managers remain answerable even for the acts of subordinates to their superiors.

### Characteristics of Decentralization

- Decentralization is the dispersal of decision making power in an organizational both vertically and horizontally.
- It reflects a philosophy of organization and management
- Vertical decentralization concerns the dispersal of power down the chain of command.
- Horizontal Decentralization relates to line and staff relationship
- It improves the morale by establishing intimate relationship between the executives and supervisors and other employees because of the better participation and communication.
- Decentralization of authority is different from dispersal of activities (dispersal of activities in different geographies is a strategic decision; decentralization is concerned with distribution of authority, not the activities).



**James W. Fesler** classified the different approaches to the concept of decentralization in the following four categories:

**(a) Doctrinal Approach :** *It conceives decentralization as an end in itself and not as a means to the realization of some goal. It views decentralization in terms of idealization, that is, a theory which holds that things exist only as ideas in the mind.*

**(b) Political Approach :** *It says that the creation of decentralized units with a set of operational autonomy is governed by political factor.*

For example, the creation of Panchayati Raj as a rural local self-governing body in our country is politically determined.

**(c) Administrative Approach :** *It says that the establishment of autonomous decentralized units in the fields is determined by the factor of administrative efficiency, that is, better decision-making and faster problem-solving. For example, the creation of regions, divisions, districts, sub-divisions, talukas and circles between the state headquarters and the field.*

**(d) Dual-role Approach :** *It conceives decentralization as a method of resolving conflicts in field administration between tradition and change. The usage of status-quo oriented colonial field administration to bring about speedy socio-economic change is leading to area-function dichotomy in district administration in our country.*



### Type of Decentralization

Broadly, decentralization is of the two types - **political and administrative**. The decentralization is further subdivided into territorial (vertical) decentralization and functional (horizontal) decentralization. A brief discussion of the typologies of decentralization is as follows :

- **Political or geographical decentralization**
- If activities are spread over wide geographical areas, top executives cannot make decisions with respect to all the functional areas and, therefore, there is tendency to decentralize.
- **Territorial Decentralization (Vertical)**
- It stands for the establishments of area administrative units (field offices) by the higher authority (headquarters).
- **Functional Decentralization (Horizontal)**
- It implies the vesting of decision-making authority in the specialized units by the central agency. For example, the creation of technical or professional bodies in India like the University Grants Commission, Flood Control Board, Central Social Welfare Board, and so forth.

### Importance of Decentralization

- **Develops Initiative Among Subordinates** : Decentralization helps to promote self-reliance and confidence amongst the subordinates. This is because when lower managerial levels are given freedom to take their own decisions they learn to depend on their own judgment.
- **Quick Decision Making** : In a decentralized organization since decisions are taken at levels which are nearest to the points of action and there is no requirement for approval from many levels, the process is much faster.
- **Develops Managerial Talent for The Future** : Decentralization gives them a chance to prove their abilities and creates a reservoir of qualified manpower who can be considered to fill up more challenging positions through promotions. It also helps to identify those who may not be successful in assuming greater responsibility.
- **Better Control** : Decentralization makes it possible to evaluate performance at each level and the departments can be individually held accountable for their results.

*Ques. Delegation of authority makes the size of the organization :*

*(NTA UGC-NET Dec. 2014 P-II)*

- (A) Smaller organization
- (B) Larger organization
- (C) Very big organization
- (D) It does not affect the size of the organization

*Ans. (B) Larger organization*